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Ten Steps in Planning Your Farm or Ranch Business

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This is a companion to the "Management Guide for Planning a Farm or Ranch Business," EMC 663. Forms are provided so that in ten easy steps you can organize your business in various ways to see which looks most promising. You may either use your own information or the average figures from the Management Guide and livestock enterprise budgets.

Contents

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I. Land Use Information

Columns 1, 2, and 3: Acres of each land use on the farm now or planned acres of each.

Column 4: Three to five year average yield per acre for each land use in terms of bushels, hundred weight, tons or animal unit months (AUM's). See table 1 in the Management Guide for yield of native pasture. Tillable pasture will yield approximately two times the AUM's as the tons of hay that could be harvested from that acre.

Columns 5, 6 and 7: Estimated average per acre invested or needed to get the yields in column 4.

II. Usual pasture condition based on the kind of grasses that are in the pasture (Excellent, Good, Fair, or Poor) .....

III. Average annual precipitation ..... **inches.**

IV. Double check to be sure that you have accounted for all of your acres, owned and rented.

Land use	Acres of each crop	Rented Acres	Owned Acres	Yield, bu, cwt, T.	Fertilizer cost	Weedicide cost	Insecticide cost
Wheat							
Oats							
Barley							
Rye							
Flax							
Corn (grain)							
Corn (silage)							
Soybeans							
Sorghum (grain)							
Sorghum (silage)							
Sunflowers							
Millet							
Fallow							
Alfalfa Hay							
Grass Hay							
Tillable Pasture							
TOTAL CROPLAND				xxx	xxx	xxx	xxx
Native Pasture							
Native Hay							
Farmstead				xxx	xxx	xxx	xxx
Other							
TOTAL ACRES				xxx	xxx	xxx	xxx
	1	2	3	4	5	6	7

Planning Step 2. Estimate Direct Costs per Acre for Growing and Harvesting Grain Crops

Item	Min. til. corn	Corn	Wheat* after row crop	Wheat* on fallow	Wheat after s. grain	Barley	Rye	Oats	Flax	Soybeans	Grain sorghum	Summer fallow
1. Value of seed		5.00	6.60	6.60	6.60	3.20	3.00	3.60	9.00	9.50	1.40	-----
2. Repairs and service		2.80	2.55	2.05	2.05	2.40	2.05	2.25	2.55	3.15	3.00	1.30
3. Fuel, oil, and grease		4.20	2.80	2.10	2.30	2.70	2.10	2.50	2.80	4.10	4.00	2.20
4. Total direct cash costs†		12.00	11.95	10.75	10.95	8.30	7.15	8.35	14.35	16.75	8.40	3.50
5. Yield per acre, (bushels or times over)		50	25	30	22	35	30	55	13	21	40	5x‡
6. For each unit your yield differs change cost		.08	.06	.06	.06	.06	.06	.06	.07	.07	.06	.40
7. Your yield (bu. or cwt.)												x‡
8. Difference in yield (7-5)												
9. Change in cost (6x8)												
10. Additional cost for custom hire§												
11. Adjusted Direct Cash Costs (4 plus or minus 9 plus 10)												
12. Your own direct cash costs												
13. Your farm chemical cash costs‖												
14. Total Cash Costs ** (11 or 12 plus 13)												

*HRS wheat assumed on cornland and HRW wheat assumed on fallow.

†Direct cash costs include variable costs charged specifically to each acre of the crop produced, other than farm chemicals. Interest on investment, taxes, and depreciation are NOT included.

‡X means times over or number of operations on summer fallow.

§For breakdown of machinery costs per acre basis, see Tables 7 and 8 in the Management Guide for Planning a Farm or Ranch Business.

‖Include cash cost of fertilizer, weedicides, and insecticides, and/or cash cost of application for your farm on Line 13.

**Total cash costs are also assumed to be operating capital per unit for crops.

NOTE: The corn budget in the second column above was calculated based on conventional tillage methods. Since, today, we have a variety of minimum tillage methods in use, the first column is left blank so that you can estimate your own costs for the system that you plan to use.

If you hire custom work for some of the field operations, you should deduct repairs and service, and fuel, oil and grease for these operations before you enter the extra charge on line 10. See tables 7 and 8 in the Management Guide for the amount to deduct. For example, if custom combining costs $9.00 per acre and you have a 16-foot combine header the entry should be $7.30 ($9.00—1.22—.48).

Planning Step 3. Estimate Direct Costs per Acre for Growing and Harvesting Forage Crops

Item	Alfalfa or tame grass	Annual hay crops	Sorghum or corn silage	Oat silage	Alfalfa silage*	Baled hay cuttings†			Stacked hay cuttings†		
						1	2	3	1	2	3
1. Value of seed	5.00	4.50	5.50	3.60	xx	xx	xx	xx	xx	xx	xx
2. Repairs and service	.55	1.20	3.90	2.70	2.25	3.25	5.45	8.60	1.10	1.90	3.00
3. Fuel, oil, and grease	.50	1.40	6.00	4.20	3.60	1.80	3.30	5.00	1.25	2.20	3.40
4. Total direct cash costs‡	6.05	7.10	15.40	10.50	5.85	5.05	8.75	13.60	2.35	4.10	6.40
5. Yield per acre (tons)	xx	xx	9	7	2	1	1.7	2.6	1	1.7	2.6
6. For each ton that your yield differs change cost	xx	xx	.80	.80	.80	2.20	2.20	2.20	1.00	1.00	1.00
7. Your yield (tons)	xx	xx									
8. Difference in yield (7-5)	xx	xx									
9. Change in cost (6x8)	xx	xx									
10. Annual growing charge§	xx	xx	xx	xx							
11. Adjusted Direct Cash Costs (4 plus or minus 9 plus 10)	6.05	7.10									
12. Your own direct cash costs											
13. Your farm chemical cash costs‖											
14. Total Cash Costs** (11 or 12 plus 13)											
				Kind of hay							

*One cutting yielding 2 tons of silage was assumed for alfalfa silage. For 2 cuttings multiply Lines 1 through 5 by 2.

†Native prairie hay costs will be those shown under one cutting adjusted to the average yield for your prairie hayland.

‡Direct cash costs include variable costs charged specifically to each acre of the crop produced, other than farm chemicals. Interest on investment, taxes, and depreciation are NOT included.

§For perennial planted forages divide Line 11 or 12 by number of years forage is harvested and enter this figure on Line 10 in the appropriate forage harvesting column. For annual hay crops use Line 11 or 12.

‖Includes cash cost of fertilizer, weedicides, and insecticides, and/or cash cost of application for your farm on Line 13.

**Total cash costs are also assumed to be operating capital per unit for crops.

NOTE: Line 12 may be used for additional custom hire costs.

If you hire custom work for some of the field operations, you should deduct repairs and service, and fuel, oil and grease for these operations before you enter the extra charge on line 12. See tables 7 and 8 in the Management Guide for the amount to deduct. For example, if the custom hire rate to field chop silage is $10.00 per acre the entry should be $8.24 ($10.00—.84—.92).

Work Table to Estimate per Acre Profitability of Adapted Grain and Forage Crops

This is a supplementary table—It will not affect the rest of the workbook. Do not use this table for figures needed in Step 4.

1. Crop										
2. Average Yield										
3. Price										
4. Gross Income										
5. Operating Cash Costs										
6. Interest on Cash Costs										
7. Fixed Machine Costs										
8. Fixed Land Costs										
9. Labor Charge										
10. TOTAL COSTS										
11. MANAGEMENT RETURNS										
12. RETURN OVER OPERATING CASH COSTS										

1. List cash grain, feed grain and forage crops adapted to your farm.
2. Estimate the five to seven year expected yield for each crop.
3. Use prices in current guide tables or your own estimate.
4. Gross Income equals average yield (2) times price (3).
5. Use operating cash costs from Line 14, Planning Steps 2 and 3 (pages 3 and 4). For crops grown on fallow, add fallow costs from line 14, page 3.
6. Use 6 to 10 percent of operating costs (Line 5) to estimate the cost of investing cash in operating costs.
7. Fixed machinery costs include depreciation, interest on investment, taxes and insurance. One set of estimates that can be used is as follows: corn grain, $8.00 to $11.00; soybeans, $8.25 to $11.25; spring wheat, flax, barley, oats, $7.00 to $9.75; winter wheat, rye, $6.50 to $8.50; corn silage, $10.00 to $15.00; small grain silage, $9.00 to $13.50; stack hay, $5.00 to $7.00; baled hay, $6.50 to $8.25. For crops grown on summer fallow, add $2.00 to $2.50 to the charges suggested here. In general the lower figures apply to central and western areas and the higher figures apply to eastern and southeastern areas.
8. Fixed land costs include a return on land investment and real estate taxes. Use actual taxes per acre plus 6% to 8% of current land value. If taxes paid are not available, use 7.5% to 9.5% of current value as the estimate of fixed land costs. **For crops grown on fallow include charges for two acres.**
9. First, use Table 9 in the Guidebook to estimate hours per acre. Second, multiply these hours by the local hourly farm wage rate.
10. Add Lines 5 through 9 for total costs.
11. Subtract total costs (10) from gross income (4).
12. Subtract operating cash costs (5) from gross income (4).

Guide for Planning Step 4.

Column 1—Enter the number of acres under each crop and land use. Total acres on Line 21 should equal the total acres in your farm unit (Step 1, page 2, column 1)

Column 2—Yield per acre should represent the average yield for 5 to 7 years for your farm or area. Table 1 in the Management Guide may be used to estimate AUM's (Animal Unit Months) of grazing produced.

Column 3—Multiply acres in Column 1 by yield per acre in Column 2.

Column 4—If you are an owner operator the figures in Column 4 will be the same as Column 3. If you rent land, Column 4 will be your part of the crop or Column 3 times your share (½, ⅔, or ¾ as the case may be).

Column 5—Use prices suggested in current guide tables. If another price series is used the costs and returns for the livestock budgets will also have to be changed.

Column 6—Operator's share of the product (Column 4) times price per unit (Column 5).

Column 7—Total cash costs per acre should be taken from Line 14, Step 2, page 3, and Line 14, Step 3, page 4. When you are paying cash rent on a per acre basis add this to total cash costs and use this figure for per acre cash costs.

Column 8—Acres (Column 1) times per acre total cash costs (Column 7).

Column 9—To convert grain crops to corn equivalent bushels you need an estimate of the percentage that each crop is of corn in feeding value. Table 4 in the Management Guide has these factors for different classes of livestock. Average factors that you can use are: Corn 1.00, Barley .80, Oats .50, Wheat 1.10, and Sorghum .95.

Column 10—Operator's share (Column 4) times corn equivalent factor (Column 9).

Column 11—Value of operator's share (Column 6) minus total cash costs (Column 8).

Rental Arrangements

Crop	Landlord's Share of Crops and Production Expenses						
	Rental Terms		Seed Cost	Fertilizer	Other Chemicals Used		Harvest Expense
	Cash	Share			Weeds	Insects	

Crop	Acres	Yield per acre	Total product (1x2)	Operator's share of product	Price per unit	Value of operator's share (4 x 5)	Total cash costs		Corn equivalent		Income over direct costs (6 minus 8)
							per acre	amount (1 x 7)	factor	bushels (4 x 9)	
Column No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1. Corn		bu									
2. Sorghum		bu									
3. Soybeans		bu									
4. Wheat		bu							xxx	xxx	
5.		bu									
6.		bu									
7.		cwt									
8.											
9.											
10. Corn silage		ton							xxx	xxx	
11.											
12. Alfalfa hay		ton							xxx	xxx	
13.											
14. Tillable pasture		AUM							xxx	xxx	
15. Aftermath grazing*		AUM							xxx	xxx	
16. TOTAL CROPLAND		xxx	xxx	xxx	xxx		xxx		xxx	xxx	
17.									xxx	xxx	
18. Native hay		ton							xxx	xxx	
19. Native pasture		AUM							xxx	xxx	
20. Farmsteads, roads, waste		xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
21. TOTALS		xxx	xxx	xxx	xxx		xxx		xxx		

*Do not add aftermath grazing acres in total cropland acres.

Livestock Enterprise Column—For all livestock enterprises record the number of the budget used. On Lines 5 and 7 indicate pounds of gain during the feeding period. On Line 9 indicate pounds of milk to be produced. On Line 11 indicate the kind of litter system. On Line 14 indicate market or feeder lambs.

Column 1—Indicate the number of production units of each livestock enterprise produced. Production unit is defined here as cow and calf, one head of beef stocker or feeder animals, one sow, 10 feeder pigs, ewe and lamb, 100 feeder lambs, 100 hens (farm flock) or 1,000 hens (commercial flock). In the case of breeding animals the budgets usually include feed costs and other costs for specified replacements plus bull, ram or boar costs.

Column 2—Grazing AUM's (animal unit months) required per production unit from livestock enterprise budgets.

Column 3—Number of production units (Column 1) times gazing AUM's per production unit (Column 2).

Column 4—Hay equivalent required per production unit from livestock enterprise budgets.

Column 5—Number of production units (Column 1) times hay equivalent per production unit (Column 4).

Column 6—Corn equivalent required per production unit from livestock enterprise budgets.

Column 7—Number of production units (Column 1) times corn equivalent per unit (Column 6).

Column 8—Gross income per production unit from livestock enterprise budgets.

Column 9—Number of production units (Column 1) times gross income per unit (Column 8).

Column 10—Direct costs per production unit from livestock enterprise budgets.

Column 11—Number of production units (Column 1) times direct costs per unit (Column 10).

Column 12—Income over direct costs for each enterprise is equal to total gross income for each enterprise (Column 9) minus total direct costs for each enterprise (Column 11).

Livestock on Farm Now

Enterprise	Number

Summary of Feed Grain Requirements and Production

A. Corn Equivalent Produced (Line 21, Step 4, Col. 10) .....

B. Corn Equivalent Needed (Line 20, Step 5, Col. 7) .....

C. Corn Equivalent Sold (A minus B, if A is greater) .....

D. Corn Equivalent Bought (B minus A, if B is greater) .....

Planning Step 5. Plan the Livestock Enterprises

Livestock enterprise	Prod unit	Number of units	Grazing AUM's		Hay equiv.		Corn equiv.		Gross income		Direct costs		Income over direct costs (9 minus 11)
			Per unit	Total (1x2)	Per unit	Total (1x4)	Per unit	Total (1x6)	Per unit	Total (1x8)	Per unit	Total (1x10)	
Column numbers	xxx	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Budget No. 1. Beef cow herd, feeder calf sold	1 cow		AUM	AUM	ton	ton	bu	bu	$	$	$	$	$
2.													
3. Beef calves, wintering and summer grazing	1 head												
4.													
5. Steer calves, full fed drylot, ... lbs. gain	1 head												
6.													
7. Yearling feeder steer drylot, ... lbs. gain	1 head												
8.													
9. Dairy cow, ... lbs. milk	1 cow												
10.													
11. Hogs, ... litter system	1 sow												
12. Feeder pigs	10 pigs												
13.													
14. Sheep flock, ...	1 ewe												
15. Feeder lambs	100 head												
16.													
17. Laying flock, farm	100 hens												
18.													
19.													
20. TOTALS	xxx	xxx	xxx		xxx		xxx		xxx		xxx		

Enterprise Column and Column 1—Enter in these two columns the enterprises and the number of acres or number of production units planned for your farm in Step 4, page 7, and Step 5, page 9.

Column 2—Use actual labor per crop acre from your records or use Table 9 in the Management Guide to estimate labor per acre. For livestock labor, circle the hours that apply to your farm in Table 10 and use this figure for labor per production unit in your plan.

Column 3—Number of production units (Column 1) times labor per unit (Column 2).

Column 4—Copy tons of forage produced from Column 4, Step 4, for each forage crop.

Column 5—Hay equivalent factors needed to convert other forages to alfalfa hay equivalent are estimated in Table 2 in the Management Guide.

Column 6—Tons of forage (Column 4) times grass hay equivalent factor (Column 5) gives the supply of harvested forage in terms of tons of hay. Transfer hay equivalent requirements for your livestock from Column 5, Step 5.

Column 7—Copy AUM's of grazing available from Column 4, Step 4. Transfer AUM requirements for livestock from Column 3, Step 5.

Capital Dollars for Livestock

Column 4—Use the operating capital requirements specified in reference budgets for livestock to estimate per unit capital dollars. Average cash operating capital requirements for crops are estimated on Line 21, Column 8, Step 4.

Column 5—Number of production units (Column 1) times capital dollars per unit (Column 4).

Calculate Forage Balance

Line 22, Column 6—Compute excess or deficit in forage supplies to indicate the need for purchase or sale of hay and to suggest changes needed in land use.

Line 23, Column 7—Compute excess or deficit AUM's of grazing to use as a basis for planning changes in your farm plan. The value of unused AUM's is deducted from income in Step 9, Item 23, because the crop plan was credited with income for all AUM's produced.

Planning Step 6. Calculate Labor Requirements, Forage Supplies and Requirements, and Capital Requirements for Livestock

Enterprise	Number of units	Labor (hours)			Forage supplies and requirements		
		Per unit	Total (1x2)	Tons of forage	Factor (Table 2)	Hay equiv. (4x5)	Pasture AUM's (Step 4, Col. 4)
Column no.	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Crops and forage	xxx	xxx	xxx	xxx	xxx	xxx	xxx
1.							
2.							
3.							
4.							
5.							
6.							
7.							
8.							
9.							
10.							
11.							
12.							
13.							
14.							
15. TOTALS (Lines 1 to 14)	xxx	xxx		CAPITAL (dollars)			
Livestock Enterprises	xxx	xxx	xxx	Per unit	Total (1x4)	From Step 5 Column 5	From Step 5 Column 3
16.							
17.							
18.							
19.							
20.							
21. TOTALS (Lines 16 to 20)	xxx	xxx		xxx			
22. Hay equivalent excess or deficit (Line 15 minus Line 21, Column 6)							xxx
23. Pasture animal unit grazing excess or deficit (Line 15 minus Line 21, Column 7)							

Planning Step 7 Hours of Family Labor Available

Member of Family	Age	Estimated hours, by labor periods				
		Jan-Mar	Apr-May	June-July	Aug-Sept	Oct-Dec
Operator						
Wife						
TOTAL FAMILY LABOR						

Estimate Labor Distribution for Grain and Forage Crops

Enterprise	Total hours*	Labor use, by periods†									
		Jan-Mar		Apr-May		June-July		Aug-Sept		Oct-Dec	
		%	hrs	%	hrs	%	hrs	%	hrs	%	hrs
Corn				25		25		10		40	
Sorghum				20		30		20		30	
Small grain, spring		5		35		30		30			
Small grain, winter				5		60		30		5	
Flax				35		15		45		5	
Soybeans				25		35		10		30	
Corn silage				10		10		80			
Alfalfa silage						60		40			
Native hay						90		10			
Tame hay, 1 cutting						50		50			
Tame hay, 2 cuttings						80		20			
Tame hay, 3 cuttings						70		30			
Summer fallow				10		50		30		10	
Other											
TOTAL CROP LABOR (Carry to Step 8)											

*Enter total hours from Column 3, Step 6.

†To compute hours under Labor Use, By Periods, divide the percentage in the labor period by 100 and multiply by Total Hours for the enterprise or % ÷ 100 x Total Hours = hours in period.

Planning Step 8

Estimate Labor Distribution for Livestock Enterprises and Hired Labor Needed

Enterprise	Total hours*	Labor use, by periods									
		Jan-Mar		Apr-May		June-July		Aug-Sept		Oct-Dec	
		%	hrs	%	hrs	%	hrs	%	hrs	%	hrs
Beef cows, farm		30		20		10		10		30	
Beef cows, ranch		25		20		15		15		25	
Cattle, wintered		40		15						45	
Cattle, pastured				40		20		40			
Dairy cows		25		15		15		20		25	
Sow, spring litter		25		25		15		15		20	
Sow 2 litters		30		15		10		20		25	
Ewe and lamb		35		20		10		10		25	
Laying hens		25		20		15		15		25	
Feeder cattle											
Feeder pigs											
Feeder sheep											
Other											
TOTAL LIVESTOCK LABOR											
TOTAL CROP LABOR (From Step 7)											
Overhead labor (From Table 11)		20		15		20		20		25	
TOTAL FOR FARM†											
TOTAL FAMILY LABOR HOURS AVAILABLE (From Top of Page 12)											
Unused labor§											
Hours to be hired‡											

*Enter total livestock hours from Column 3, Step 6. For overhead hours see your farm estimate, Table 11, in the Management Guide.
†Crop labor plus livestock labor plus overhead labor.
‡Total for farm minus total family labor hours available, if total for farm is greater.
§Total family labor hours available minus total for farm, if total family labor hours available are greater.
NOTE: To estimate total Unused Labor and Hours to be hired, add hours that you have calculated for each by labor periods.

Farm Capital

1. Value of bare land owned (purchase price or present conservative market value) _____

2. Value of buildings and improvements owned (your estimate or use insured value; do not include farm dwelling) _____

3. TOTAL capital investment in real estate (Line 1 plus Line 2) _____

4. Operating Capital requirements for crops (Step 4, Line 21, Column 8) _____

5. Operating capital requirements for livestock (Step 6, Line 21, Column 5) _____

6. Value of crop machinery and equipment (from your depreciation schedule or use Table 5 in the Management Guide) _____

7. Value of livestock equipment (from your depreciation schedule or use livestock budgets to estimate) _____

8. TOTAL enterprise capital (Add Lines 4, 5,6, and 7) _____

9. TOTAL farm capital (Line 3 plus Line 8) _____

10. Real estate mortgage (actual from your records) _____

11. Enterprise capital borrowed (chattel mortgages and other farm business debts) _____

12. TOTAL farm liability (Line 10 plus Line 11) _____

13. Operator's EQUITY in farm business (Line 9 minus Line 12) _____

14. Personal Assets

A. Cash—checking and savings account _____

B. Life insurance—(cash value) _____

C. Stocks and bonds (present value) _____

D. Farm dwelling (present value) _____

E. Household goods (present value) _____

F. Automobile (personal share) _____

G. Notes and accounts due you _____

H. Other _____

15. TOTAL personal assets (add Lines 14A through 14H) _____

16. Personal liabilities (other than Lines 10 and 11)

A. Loans on life insurance _____

B. Personal notes _____

C. Income tax—due _____

D. Taxes—past due _____

E. Other _____

17. TOTAL personal liabilities (add Lines 16A through 16E) _____

18. PERSONAL NET WORTH (Line 15 minus Line 17) _____

19. TOTAL NET WORTH (Line 13 plus Line 18) _____

Income Over Direct Cash Costs

20. Crop income over direct costs (Step 4, Line 21, Column 11) _____

21. Livestock income over direct costs (Step 5, Line 20, Column 12) _____

22. Landlord's share of direct costs* _____

23. Value of *excess grazing* AUM's† (Step 6, excess Line 23, ____ x $____ per AUM _____

24. TOTAL farm income over direct costs (Lines 20, 21, and 22 minus Line 23) _____

Income Over All Costs

25. Cost of hired labor (Step 8, total hours to be hired, ____ x $____ per hour) _____

26. Cash farm rent paid (not included in Step 4) _____

27. Taxes: Real estate and personal property (actual or use 1.3% of Line 3 and 1.5% of Line 6 plus livestock taxes) _____

28. Farm overhead costs (actual from records or use Table 12 in the Management Guide: includes costs of the farm business not specifically attributed to crops or livestock such as farm share of automobile and telephone, legal fees, misc. farm jobs, fire insurance, etc.) _____

29. Interest paid on mortgages and other borrowed capital (actual or use 7% of Line 10 plus 9% of Line 11) _____

30. TOTAL other cash costs (add Lines 25, 26, 27, 28, and 29) _____

31. CASH FARM INCOME available to family (Line 24 minus Line 30) _____

32. Depreciation on buildings and improvements (current depreciation schedule or use 6% of Line 2) _____

33. Depreciation on crop machinery and equipment (current depreciation schedule or use 15% of Line 6) _____

34. Depreciation on livestock equipment (current depreciation schedule or use 18% of Line 7) _____

35. TOTAL DEPRECIATION (Add Lines 32, 33, and 34) _____

36. INCOME for family labor, operator's equity and management ability (Line 31 minus Line 35) _____

37. Interest allocated to total capital

A. 7% of Line 3 _____

B. 9% of Line 8 _____

C. Total interest charge for all capital (A plus B) _____

38. Return on operator's equity in the farm business (Line 37C minus Line 29) _____

39. RETURN to family labor and management (Line 36 minus Line 38) _____

40. RETURN per hour of family labor available (Line 39 divided by Total Family Labor Available, Step 8) _____

*Enter landlord's share of direct costs only if you have included them in Step 4, Column 8, or Step 5, Column 11.

†In Step 4 you have credited land with the value of all AUM's produced. If some of this grazing is not used you will not actually produce this income, therefore you need to adjust for the value of these AUM's. No entry should be made if you are short of grazing on Line 23, Step 6.

Total Cash Income Available

1. Cash available from farm business (Step 9, Line 31) _____
2. Other cash income (personal or home account) _____
3. TOTAL cash available (Line 1 plus Line 2) _____

Annual Fixed Obligations

4. Mortages (principal payment on real estate) _____
5. Notes (principal installment on machinery, equipment, and breeding stock) _____
6. Charge accounts (unpaid from last year) _____
7. Life insurance premiums _____
8. Income taxes (line A-9, Table 14, Management Guide) _____
9. Social Security tax (Line B-3, Table 14, Management Guide) _____
10. Personal property tax on household goods (not included Line 27, Step 9) _____
11. Other _____
12. TOTAL Fixed Obligation (Add Lines 4 through 11) _____
13. CASH REMAINING for family living, replacements, new investment, and savings (Line 3 minus Line 12) _____

Family Living Expenses

14. Food purchased _____
15. Clothing _____
16. Personal _____
17. Shelter (repairs, insurance, rent) _____
18. Fuel, electricity, phone _____
19. Household operation (supplies, garden seeds, paper articles, etc.) _____
20. Furnishings and equipment (cash paid for furniture, appliances, household linens, curtains) _____
21. Auto-home share _____
22. Medical (doctor, dentist, drugs, insurance) _____
23. Education (newspaper, magazines, tuition, books) _____
24. Recreation (club dues, vacations, cameras, games, television repairs) _____
25. Church and welfare _____
26. Gifts (not included in any above item) _____
27. Other _____
28. TOTAL Family Living Cash Expenditures (Add Lines 14 through 27 or use Table 6 in the Management Guide) _____
29. CASH REMAINING for replacement, new investments, and savings (Line 13 minus Line 28) _____
30. Depreciation for normal replacement (Line 35, Step 9) _____
31. Cash remaining for new investment and savings (Line 29 minus Line 30) _____
32. Other gains in equity or net worth (Add Lines 4, 5, 6, 7, and other old debts paid off) _____
33. TOTAL ANNUAL GAIN expected in net worth (Line 31 plus Line 32) _____